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C O N F I D E N T I A L MANAMA 001899

SIPDIS

DEPT FOR NEA DAS DIBBLE, NEA/ARPI
DEPT PASS USTR JBUNTIN
COMMERCE FOR CLOUSTAUNAU

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SUBJECT: NEA DAS DIBBLE DISCUSSES FTA, FORUM FOR THE
FUTURE, AND MEPI WITH MINISTER OF FINANCE

Classified By: AMBASSADOR WILLIAM T. MONROE REASONS 1.4 (B) AND (D)

1. (C) Summary. On a December 12-13 visit to Manama, NEA DAS Dibble paid a call on Bahraini Minister of National Economy (MOFNE) Abdulla Saif. They discussed the U.S.-Bahrain Free Trade Agreement (FTA), the recent Forum for the Future meeting in Rabat, and plans for the establishment of the Entrepreneurship Center. Saif stated that despite pressure from the Saudis, Bahrain is committed to moving forward with the FTA, and that the dispute over FTAs would be resolved by the GCC summit. He was also positive about the recent meetings in Rabat and indicated Bahrain would host the next round in November 2005. Concerning the MEPI initiative to create and staff an entrepreneurship center, Saif mentioned that the GOB is committed to this project, but needs to clarify funding issues. End Summary.

FTA Going Forward

2. (C) NEA DAS Dibble opened his December 13 meeting with MOFNE Saif by asking about Saudi Arabia's recent negative reaction to Bahrain's FTA. Saif stressed GOB commitment to the agreement and expressed optimism that a formula will be reached to resolve the issue at the GCC Finance Minister's meeting in Manama December 18 in advance of the December 20 GCC summit. When asked about Bahrain's ratification plans, Saif said the Cabinet had passed the file to the Council of Representatives, and it is well on the way to ratification. He revealed tentative plans for another FTA roadshow in Chicago next April. He stated that while Bahrain's "fast-track" approach to FTA negotiations is a model for other GCC nations, he recognized that the GCC countries are at different stages of readiness for FTA. He is hopeful that the U.S. will be able to have an agreement with all GCC members in the future.

Forum for the Future

3. (C) Minister Saif declared the Forum for the Future in Rabat a success. He indicated that Bahrain submitted several papers including one on the Entrepreneurship Center and another on the Network of Funds. He also had a productive meeting with Treasury Secretary Snow in which they discussed terrorism financing. He stated Bahrain is taking a lead on this issue and will host the MENA FATF. He also mentioned that the Forum accepted Bahrain's offer to host the next Forum for the Future meeting in November 2005.

Entrepreneurship Center

4. (C) Minister Saif indicated that Bahrain is willing to move forward on the MEPI-initiated Entrepreneurship Center, however questions still remain regarding payment for the building and staff salaries. In the short-term the Bahrain Institute for Banking and Finance can house the Center, but there must be a permanent facility developed. In the meantime, the consultants for the center (Beyster Institute) will return in January and expect to launch their first training program by April 2005.

MONROE